

Date Mailed January 26, 1998

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application for Approval of a Lease Between Wisconsin
Public Service Corporation and Renewable Fibers
International, LLC

6690-AU-104

NOTICE OF INVESTIGATION AND ASSESSMENT OF COSTS

Wisconsin Public Service Corporation (WPSC) filed an application with the Public Service Commission (Commission) on December 10, 1997, for approval to lease a metal storage building at 415 Elm Street in Green Bay to Renewable Fibers International, LLC (Renewable Fibers) under ss. 196.52 and 196.795, Stats. The proposed terms of the agreement were modified on December 26, 1997.

WPSC, 700 North Adams Street, Green Bay, WI 54307-9001, is a Wisconsin corporation engaged in rendering electric and gas utility service to the public and is a public utility as defined in s. 196.01, Stats.

Renewable Fibers, 125 South Jefferson Street, Suite 201, Green Bay, WI 54301, is being formed as a joint venture subsidiary of WPS Power Development Inc. (PDI).

WPSC and PDI are wholly-owned subsidiaries of WPS Resources Corporation (Resources) which is a holding company as defined by s. 196.795(1)(h)1a, Stats. WPSC, Resources, PDI, and Renewable are affiliated interests according to s. 196.52, Stats.

Under the proposed agreement, WPSC will lease the storage building to Renewable Fibers for a term of 18 months with an option to extend the lease for an additional 18 months. Rent in the first 18 months would be \$18,900 based on a rate of \$3.75 per square foot. Rents in the second 18 months would increase based on the Consumer Price Index.

This is a Type III action under s. PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

Docket 6690-AU-104

NOTICE IS GIVEN that the Commission intends to investigate this application without hearing.

NOTICE IS FURTHER GIVEN that the Commission considers it necessary in order to carry out its duties to investigate the books, accounts, practices, and activities of WPSC. The expenses incurred or to be incurred by the Commission which are reasonably attributable to the investigation will be assessed against and collected from the Applicant, in accordance with the provisions of s. 196.85, Stats., and ch. PSC 5, Wis. Adm. Code.

If there are any questions regarding this matter, please contact Diane Braun, Electric Division, at (608) 267-1200.

Dated at Madison, Wisconsin, _____

For the Commission:

Susan E. Stratton
Administrator
Electric Division

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